

STARR COUNTY

3,098.94 acres

Plus 304.2 acres of Class A Water Rights and 1,639.44 acres of Class B Water Rights
La Grulla, Starr County, Texas

Marketing

Mineral Rights Do Not Convey

All information is deemed reliable, but not guaranteed



— THE —
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& COMPANY

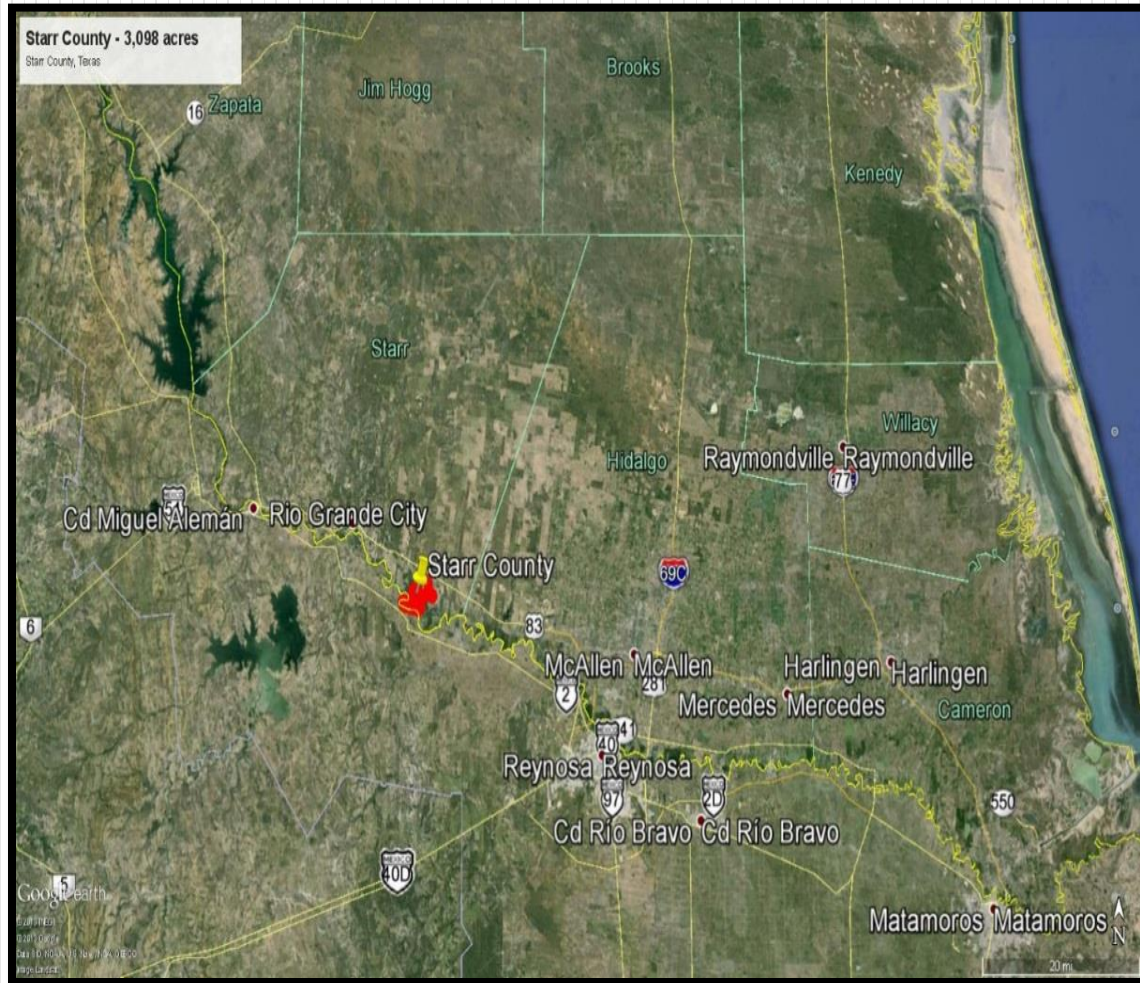
Salient Facts

- The site is located on the south side of Military Road near La Grulla, Starr County, Texas.
- Presently, the property is being operated as the Starr Produce Farm under a long term lease to Chapotal Farms and Tex Mex Cattle Company, tenants in common. The site is improved with a manager's house, a 20,000 s.f. packing shed and an old farm camp near the Rio Grande River. The site is surrounded by a wildlife refuge to the west, the Rio Grande River with Mexico beyond to the south, the town of La Grulla, agricultural and vacant land to the east and a large maintenance facility and vacant land to the north beyond Military Road. The entire property is located in the 100-year floodplain.
- Irrigation water for the farm is provided by a floating barge in the Rio Grande River, via a 40' recorded easement, with two diesel engines and pumps plus a portable trailer with filtration pumps.
- There are nine gas wells, all in a concentrated area, located along the perimeter of the land in the southwest quadrant which does not adversely impact the farm operation. They are drilled by Metano Energy, LP.
- A narrow "fringe" of land along the Rio Grande River on the subject's south property line curving up north and west of the property line is owned by the U.S. Fish and Wildlife and is known as the Lower Rio Grande Valley National Wildlife Refuge.
- The site is not subject to zoning.

Grazing/Agricultural Lease Highlights

- **Lessee:** Tex Mex Cattle Company, Inc. & Chapotal Farms, tenants in common
- **Term:** September 1, 2007 – August 31, 2026
- **Use of Premises:** Farming, Grazing, Hunting and for no other purpose.
- **Consideration:** Annual installments of \$150,000
- **Rent Adjustments:** Effective September 1, 2017 the rent may be adjusted to reflect the market value as determined by the State based on data and/or rates published by the United States Department of Agriculture and/or Texas A & M University.
- **Reimbursement Rights:** Lease automatically terminates upon the later of, (a) sixty (60) days after written notice or (b) conveyance of premises. As a condition of sale the State shall require the buyer to either, (a) permit Lessee to harvest any crops planted prior to the notice or conveyance or (b) compensate the Lessee for the FMV of the crops. Lessee may remove certain irrigation equipment prior to lease termination or the State is to reimburse Lessee for a percentage of Lessee's direct expenses to replace the irrigation equipment as follows:
 - Prior to August 31, 2016 – 100% of Lessee's expenses (subject to receipts).
 - Prior to August 31, 2021 – 75% of Lessee's expenses (subject to receipts).
 - Prior to August 31, 2026 – 50% of Lessee's expenses (subject to receipts).
 - After August 31, 2026 – no reimbursement and the equipment becomes the property of the State.
- **Purchase Rights:** Lessee has a preference right to purchase the premises on the same terms and conditions as any prospective buyer after 30 days' notice from State and a 60 day close requirement.
- **Mineral Rights:** The State reserves all oil, gas, other minerals and water. Lessee is permitted to use water for livestock and/or wildlife.
- Lessee to pay any Taxes and utilities.

Location Map



Starr County Marketing

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